Air Resources Board Public Workshop

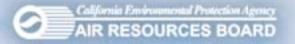
Proposed Fees on Nonvehicular Sources, Consumer Products, and Architectural Coatings

May 1, 2003



Presentation Outline

- Background on 2003-04 Budget
- Statutory Authority
- AB 10X Billing Threshold
- Affected Sources
 - Large stationary sources
 - Consumer products
 - Architectural coatings
- Fee Summary
 - Estimated 2003-04 fee rate
- Comments and Questions



Background on 2003-04 Budget

- ARB's Stationary Source Program budget is \$40 million
- California's 2003-04 fiscal year budget cuts \$12 million of state support for ARB's Stationary Source Program
- ARB authorized to recover this loss through increased fees
 - Have cut \$2 million from its budget
 - Propose to collect remaining \$10 million through fees



Statutory Authority

- AB 10X, Oropeza
- Signed by Governor on March 18, 2003
- ARB to assess and collect fees unless district requests to do so
- CCAA Nonvehicular Source Fee Program has existed since 1989 with a threshold of 500 tpy

AB10X Billing Threshold

- Large Point Sources
 - 250 and greater tons per year of pollutants
- Consumer Products
 - Statewide sales of 250 and greater tons per year of pollutants
- Architectural Coatings
 - Statewide sales of 250 and greater tons per year of pollutants
- Emissions based on 2001 inventory year



Affected Sources

- Large Point Sources
 - 85 facilities with emissions of 250 and greater tpy
 - 123,000 billable tons
- Consumer Products and Aerosol Coatings
 - 57 companies with emissions of 250 and greater tpy
 - 59,000 billable tons
- Architectural Coatings
 - 24 companies with emissions of 250 and greater tpy
 - 37,000 billable tons



Fee Summary

Fees based on the formula:

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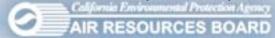
where R = Revenues needed

A= 3% Adjustment

C= Carry-over balance

E= Total emissions subject to fees

- Estimated 2003-04 fiscal year fee rate:
 - \$13 17.4 million in fees collected
 - 219,000 total billable tons
 - \$60 \$85 per billable ton



Regulatory Timeframe

- Public Workshop
- 45-day Notice to Public
- Public Workshop
- Public Agenda Available
- Board Meeting
- 15-day Changes to Public (if needed)
- End 15-day Comment Period
- Effective Date of Regulation

May 1, 2003

June 9, 2003

June 26, 2003

July 14, 2003

July 24, 2003

~August 1, 2003

~August 16, 2003

Late 2003



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